

# SENATE BILL 180

C2, C5

0lr0597

---

By: **Senator McFadden**

Introduced and read first time: January 20, 2010

Assigned to: Finance

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Prepaid Mobile Phones and Prepaid Refill Cards**  
3 **– Retail Sales**

4 FOR the purpose of prohibiting sellers of prepaid mobile phones from selling more  
5 than a certain number of prepaid mobile phones to a person within a certain  
6 time period; requiring sellers to obtain and copy certain identification at a  
7 certain time from the buyer of a prepaid mobile phone or prepaid refill card;  
8 establishing record-keeping requirements for sellers; requiring sellers to submit  
9 the records to certain entities at certain intervals; requiring entities that receive  
10 the records to retain them for a certain period of time; providing that the  
11 records are not public and are confidential; authorizing State and local law  
12 enforcement officers to view the records during certain hours under certain  
13 circumstances; providing that a buyer who presents false identification at the  
14 time of purchase violates this Act; providing that each occurrence of certain  
15 violations is a separate offense; establishing certain penalties; defining certain  
16 terms; and generally relating to the sale of prepaid mobile phones and prepaid  
17 refill cards.

18 BY adding to

19 Article – Business Regulation

20 Section 19–601 through 19–605 to be under the new subtitle “Subtitle 6. Mobile  
21 Phone Sales”

22 Annotated Code of Maryland

23 (2004 Replacement Volume and 2009 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
25 MARYLAND, That the Laws of Maryland read as follows:

26 **Article – Business Regulation**

27 **SUBTITLE 6. MOBILE PHONE SALES.**

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **19-601.**

2 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
3 INDICATED.

4 (B) "BUYER" MEANS A PERSON WHO PURCHASES A PREPAID MOBILE  
5 PHONE OR PREPAID REFILL CARD.

6 (C) "MOBILE PHONE" MEANS A LONG-RANGE MOBILE ELECTRONIC  
7 DEVICE USED TO ACCESS WIRELESS TELEPHONE SERVICE.

8 (D) "PREPAID MOBILE PHONE" MEANS A MOBILE PHONE FOR WHICH  
9 WIRELESS TELEPHONE SERVICE CHARGES ARE PAID IN ADVANCE RATHER THAN  
10 BY PERIODIC BILLING.

11 (E) "PREPAID REFILL CARD" MEANS A CARD PURCHASED TO ADD  
12 BLOCKS OF PREPAID WIRELESS TELEPHONE SERVICE TIME TO A MOBILE  
13 PHONE.

14 (F) "SELLER" MEANS A PERSON WHO SELLS PREPAID MOBILE PHONES  
15 OR PREPAID REFILL CARDS.

16 (G) "WIRELESS TELEPHONE SERVICE" MEANS A TRANSMISSION  
17 SERVICE THAT ENABLES REAL-TIME TWO-WAY VOICE COMMUNICATION TO  
18 MOBILE PHONE USERS.

19 **19-602.**

20 A SELLER MAY NOT SELL MORE THAN THREE PREPAID MOBILE PHONES  
21 TO A PERSON IN A SINGLE 24-HOUR PERIOD.

22 **19-603.**

23 (A) (1) AT THE TIME OF SALE, A SELLER SHALL REQUIRE A BUYER TO  
24 PRODUCE ONE OF THE FOLLOWING FORMS OF IDENTIFICATION:

25 (I) A VALID DRIVER'S LICENSE;

26 (II) A VALID MILITARY IDENTIFICATION CARD;

27 (III) A VALID PASSPORT; OR

1                   (IV) ANY VALID GOVERNMENT-ISSUED IDENTIFICATION  
2 CARD THAT CONTAINS THE NAME, BIRTH DATE, AND CURRENT ADDRESS OF THE  
3 BUYER.

4                   (2) THE SELLER SHALL MAKE A COPY OF THE IDENTIFICATION  
5 PRODUCED BY THE BUYER UNDER PARAGRAPH (1) OF THIS SUBSECTION AND  
6 RETAIN THE COPY IN ACCORDANCE WITH THIS SUBTITLE.

7 **19-604.**

8                   (A) A SELLER SHALL MAKE A RECORD FOR EACH SALE OF A PREPAID  
9 MOBILE PHONE OR PREPAID REFILL CARD AND RETAIN THE RECORD FOR AT  
10 LEAST 2 YEARS.

11                   (B) THE RECORD REQUIRED UNDER SUBSECTION (A) OF THIS SECTION  
12 SHALL INCLUDE:

13                   (1) THE NAME, BUSINESS ADDRESS, AND TELEPHONE NUMBER OF  
14 THE SELLER;

15                   (2) THE SERIAL NUMBER AND MANUFACTURER OF THE PREPAID  
16 MOBILE PHONE;

17                   (3) THE NAME AND ADDRESS OF THE WIRELESS TELEPHONE  
18 SERVICE PROVIDER FOR THE PREPAID MOBILE PHONE OR PREPAID REFILL  
19 CARD;

20                   (4) A COPY OF THE IDENTIFICATION PRODUCED BY THE BUYER  
21 UNDER § 19-602 OF THIS SUBTITLE; AND

22                   (5) THE DATE AND MANNER OF SUBMISSION OF THE RECORD AS  
23 REQUIRED UNDER SUBSECTION (C) OF THIS SECTION.

24                   (C) (1) THE SELLER SHALL SUBMIT A COPY OF RECORDS MADE  
25 UNDER THIS SECTION AT LEAST ONCE EACH MONTH TO:

26                   (I) THE DEPARTMENT OF STATE POLICE; AND

27                   (II) THE WIRELESS TELEPHONE SERVICE PROVIDER FOR  
28 THE PREPAID MOBILE PHONE OR PREPAID REFILL CARD.

29                   (2) THE SUBMISSION IN PARAGRAPH (1) OF THIS SUBSECTION  
30 MAY BE DONE ELECTRONICALLY IN A FORMAT THAT THE RECEIVING ENTITY  
31 CAN SUCCESSFULLY RETRIEVE.

1           **(3) THE RECEIVING ENTITY FOR RECORDS IN PARAGRAPH (1) OF**  
2 **THIS SUBSECTION SHALL RETAIN THE RECORDS FOR AT LEAST 1 YEAR.**

3           **(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
4 **SUBSECTION, A RECORD MADE UNDER THIS SECTION IS NOT A PUBLIC RECORD**  
5 **AND SHALL BE KEPT CONFIDENTIAL.**

6           **(2) RECORDS MADE AND KEPT IN ACCORDANCE WITH THIS**  
7 **SUBTITLE SHALL BE OPEN TO INSPECTION DURING BUSINESS HOURS BY STATE**  
8 **OR LOCAL LAW ENFORCEMENT OFFICERS FOR AN INVESTIGATION OF A**  
9 **SPECIFIC CRIME INVOLVING PREPAID MOBILE PHONES.**

10 **19-605.**

11           **(A) A BUYER WHO PRESENTS FALSE IDENTIFICATION AT THE TIME OF**  
12 **PURCHASE VIOLATES THIS SUBTITLE.**

13           **(B) A SELLER MAY NOT FAIL TO MAKE, MAINTAIN, OR SUBMIT A RECORD**  
14 **IN ACCORDANCE WITH THIS SUBTITLE.**

15           **(C) A PERSON WHO VIOLATES THIS SUBTITLE IS GUILTY OF A**  
16 **MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE:**

17                   **(1) FOR A FIRST OFFENSE, NOT EXCEEDING \$500; OR**

18                   **(2) FOR A SECOND OR SUBSEQUENT OFFENSE, NOT EXCEEDING**  
19 **\$1,000 OR IMPRISONMENT NOT EXCEEDING 30 DAYS OR BOTH.**

20           **(D) EACH TRANSACTION FOR WHICH A SELLER DOES NOT MAKE,**  
21 **MAINTAIN, OR SUBMIT A RECORD IN ACCORDANCE WITH THIS SUBTITLE AND**  
22 **EACH OCCASION THAT A BUYER PRESENTS FALSE IDENTIFICATION AT THE TIME**  
23 **OF PURCHASE IS A SEPARATE OFFENSE.**

24           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
25 October 1, 2010.